

**LE PETITE THEATRE DU VIEUX CARRE**

FINANCIAL REPORT

JUNE 30, 2012

LE PETIT THEATRE DU VIEUX CARRE

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***Reginald A. Bresette, III***  
*Limited Liability Company*

***Reginald A. Bresette, III, CPA***

Member  
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Le Petit Theatre Du Vieux Carre  
New Orleans, Louisiana

I have compiled the accompanying statement of financial position of the Le Petit Theatre Du Vieux Carre (a nonprofit organization) as of June 30, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the in the United State of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Reginald A. Bresette, III LLC  
Certified Public Accountant  
October 19, 2012

LE PETIT THEATRE DU VIEUX CARRE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

ASSETS

2012

**Current Assets**

|                           |              |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 2,075,969 |
| Prepaid expense           | 67,012       |

|                      |           |
|----------------------|-----------|
| Total Current Assets | 2,142,981 |
|----------------------|-----------|

|                                      |           |
|--------------------------------------|-----------|
| Property and Equipment, Net (Note 4) | 1,317,548 |
|--------------------------------------|-----------|

**Other Assets**

|                                  |         |
|----------------------------------|---------|
| Investments, restricted (Note 2) | 235,368 |
|----------------------------------|---------|

|                    |         |
|--------------------|---------|
| Total Other Assets | 235,368 |
|--------------------|---------|

|              |              |
|--------------|--------------|
| Total Assets | \$ 3,695,897 |
|--------------|--------------|

LIABILITIES AND NET ASSETS

**Current Liabilities**

|                  |           |
|------------------|-----------|
| Accounts payable | \$ 20,590 |
| Accrued expenses | 16,701    |

|                           |        |
|---------------------------|--------|
| Total Current Liabilities | 37,291 |
|---------------------------|--------|

|                   |        |
|-------------------|--------|
| Total Liabilities | 37,291 |
|-------------------|--------|

**Net Assets**

|              |           |
|--------------|-----------|
| Unrestricted | 3,423,238 |
|--------------|-----------|

|   |         |
|---|---------|
| Permanently restricted by donors (Note 5) | 235,368 |
|---|---------|

|                  |           |
|------------------|-----------|
| Total Net Assets | 3,658,606 |
|------------------|-----------|

|                                  |              |
|----------------------------------|--------------|
| Total Liabilities and Net Assets | \$ 3,695,897 |
|----------------------------------|--------------|

(See accompanying notes and accountant's report)

LE PETIT THEATRE DU VIEUX CARRE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30,2012

2012

|   | Unrestricted | Temporarily Restricted | Permanently Restricted | Total       |
|---|--------------|------------------------|------------------------|-------------|
| <b>Public Support, Revenues and Reclassifications</b> |              |                        |                        |             |
| Public support:                                       |              |                        |                        |             |
| Contributions   | \$ 183,660   | \$ -                   | \$ 3,713               | \$ 187,373  |
| Total Public Support                                  | 183,660      |                        | 3,713                  | 187,373     |
| Revenues:   |              |                        |                        |             |
| Program service revenue                               | 1,847        |                        |                        | 1,847       |
| Investment income (Note2)                             | 12,961       |                        | 5,170                  | 18,131      |
| Unrealized gain (loss) (Note 2)                       | -            |                        | 1,360                  | 1,360       |
| Gain on sale of assets                                | 2,697,511    |                        |                        | 2,697,511   |
| Miscellaneous   | 13,905       |                        |                        | 13,905      |
| Total revenue   | 2,726,224    |                        | 6,530                  | 2,732,754   |
| Reclassifications:                                    |              |                        |                        |             |
| Net assets released from restrictions                 |              |                        |                        |             |
| Expiration of time restrictions                       | 8,232        |                        | (8,232)                |             |
| Total Reclassifications                               | 8,232        |                        | (8,232)                |             |
| Total Public Support, Revenues and Reclassifications  | \$2,918,116  | \$ -                   | \$ 2,011               | \$2,920,127 |

(See accompanying notes and accountant's report)

LE PETIT THEATRE DU VIEUX CARRE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

|                                   | <u>2012</u>  |                           |                           |             |
|-----------------------------------|--------------|---------------------------|---------------------------|-------------|
|                                   | Unrestricted | Temporarily<br>Restricted | Permanently<br>Restricted | Total       |
| <b>Expenses</b>                   |              |                           |                           |             |
| Program Services                  | \$ 165,308   | \$ -                      | \$ -                      | \$ 165,308  |
| Total Program Services            | 165,308      |                           |                           | 165,308     |
| Supporting Services:              |              |                           |                           |             |
| Management and general            | 64,505       |                           | 1,132                     | 65,637      |
| Fund Raising                      |              |                           |                           |             |
| Total Supporting Services         | 64,505       |                           | 1,132                     | 65,637      |
| Total Expenses                    | 229,813      |                           | 1,132                     | 230,945     |
| Increase (Decrease) in Net Assets | 2,688,303    |                           | 879                       | 2,689,182   |
| Net assets at beginning of year   | 734,935      |                           | 234,489                   | 969,424     |
| Net assets at end of year         | \$3,423,238  | \$ -                      | \$ 235,368                | \$3,658,606 |

(See accompanying notes and accountant's report)

LE PETIT THEATRE DU VIEUX CARRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

2012

**Reconciliation of change in net assets to net cash  
provided (used) by operating activities:**

|   |                  |
|---|------------------|
| Change in net assets  | \$ 2,689,182     |
| Adjustments to reconcile change in<br>net assets to net cash provided by<br>operating activities: |                  |
| Gain on sale of assets  | (2,697,511)      |
| Depreciation and amortization   | 52,697           |
| Decrease (increase) in prepaid expenses   | (22,686)         |
| Increase (decrease) in accounts payable   | (125,393)        |
| Unrealized gains on investments in endowment  | (1,360)          |
| Income earned by endowment  | (5,170)          |
| Administration fees in endowment  | <u>1,132</u>     |
| Net cash provided (used) by operating activities  | <u>(109,109)</u> |

**Cash flows from investing activities:**

|  |                  |
|--|------------------|
| Purchase of property and equipment               | (74,632)         |
| Proceeds from sale of assets                     | <u>2,940,684</u> |
| Net cash provided (used) by investing activities | <u>2,866,052</u> |

**Cash flows from financing activities:**

|   |                            |
|---|----------------------------|
| Proceeds from contributions, permanently restricted | 4,519                      |
| Principle payments on debt                          | <u>(689,947)</u>           |
| Net cash provided (used) by financing activities    | <u>(685,428)</u>           |
| Net increase (decrease) in cash                     | 2,071,515                  |
| Cash - beginning of year                            | <u>4,454</u>               |
| Cash - end of year                                  | <u><u>\$ 2,075,969</u></u> |

(See accompanying notes and accountant's report)

LE PETIT THEATRE DU VIEUX CARRE

STATEMENT OF FUNCIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012

|                                     | 2012                |                         |                 |            |
|-------------------------------------|---------------------|-------------------------|-----------------|------------|
|                                     | PROGRAM<br>SERVICES | MANAGEMENT<br>& GENERAL | FUND<br>RAISING | TOTAL      |
| Salaries                            | \$ 4,981            | \$ -                    | \$ -            | \$ 4,981   |
| Employee benefits and payroll taxes | 343                 |                         |                 | 343        |
| Total salaries and related expenses | 5,324               |                         |                 | 5,324      |
| Set                                 | 379                 |                         |                 | 379        |
| Lighting and sound                  | 627                 |                         |                 | 627        |
| Production royalties                | 5,238               |                         |                 | 5,238      |
| Advertising                         | 3,076               |                         |                 | 3,076      |
| Insurance                           | 29,641              | 12,703                  |                 | 42,344     |
| Office expense                      |                     | 1,654                   |                 | 1,654      |
| Bank charges                        | 1,240               | 1,664                   |                 | 2,904      |
| Contract labor                      | 22,008              | 9,432                   |                 | 31,440     |
| Interest expense                    | 14,391              | 6,168                   |                 | 20,559     |
| Miscellaneous expense               | 11,080              | 4,749                   |                 | 15,829     |
| Repairs and maintenance             | 8,865               | 3,799                   |                 | 12,664     |
| Rent                                | 1,435               | 615                     |                 | 2,050      |
| Telephone                           | 4,948               | 2,121                   |                 | 7,069      |
| Utilities                           | 13,746              | 5,891                   |                 | 19,637     |
| Taxes and licenses                  | 2,409               | 1,032                   |                 | 3,441      |
| Parking                             | 4,013               |                         |                 | 4,013      |
| Depreciation and amortization       | 36,888              | 15,809                  |                 | 52,697     |
|                                     | \$ 165,308          | \$ 65,637               | \$ -            | \$ 230,945 |

(See accompanying notes and accountant's report)



Le Petit Theatre du Vieux Carre  
Notes To Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Le Petit Theatre du Vieux Carre (the Theatre) was organized in 1922 to present theatrical performances for the community. The mission of the Theatre is to present quality theatre at affordable prices, to promote cultural activities, and to provide cultural outreach opportunities to the Greater New Orleans community.

Basis of Accounting and Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards FASB ASC 958 (formerly SFAS No. 117), *Not-For-Profit Entities*. Under Topic 958, net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Company and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets that are subject to donor-imposed stipulations that may or will be met by actions of the Company. These restrictions are considered to expire when payments for restricted purposes are met.

Permanently Restricted Net Assets - Net assets that are subject to donor-imposed stipulations that the principal not be expended, but rather invested to provide a permanent source of income for the Company.

**New Accounting Pronouncements** - In June 2009, the Financial Accounting Standards Board ("FASB") issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification (FASB ASC), as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of Topic 105, the Theatre has updated references to GAAP in its financial statements issued For the Year Ended June 30, 2012. The adoption of Topic 105 did not impact the Company's financial statements.

FASB ASC 740-10 (formerly, FASB Interpretation No. 48, *Accounting for Uncertain Tax Positions*), provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. Effective July 1, 2009, the Theatre adopted the disclosure requirements of this standard. The adoption of the disclosure requirements of this standard had no material effect on the Theatre's financial statements. Tax years ended June 30, 2008 and later remain subject to examination by the taxing authorities.

Le Petit Theatre du Vieux Carre  
Notes To Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Theatre considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value. Fair value is determined using quoted market prices (where available), or if not available, estimated fair values based on quoted market prices of financial instruments with similar characteristics. All other investments are carried at the lower of cost or market. Recognized gains and losses on investments are reflected in the statement of activities. Dividends and interest income are recorded during the period earned.

The Theatre adopted FASB Accounting Standards Codification Topic 820, Fair Value Measurements (Topic 820). Topic 820 required disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume).

Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Le Petit Theatre du Vieux Carre  
Notes To Financial Statements (Continued)  
For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Theatre has adopted a practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$500. Property and equipment consists of Land, building and improvements, furniture and fixtures, and stage equipment, and is carried at cost, except for land which is carried at its 1929 appraised value. Depreciation of these assets is provided on a straight-line basis over their estimated useful lives as follows:

|                           |               |
|---------------------------|---------------|
| Building and improvements | 30 - 39 years |
| Furniture and fixtures    | 5 - 7 years   |
| Equipment                 | 5 - 10 years  |

Depreciation expense For the Year Ended June 30, 2012 was \$ 52,697.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Gifts of long-lived operating assets such as land, buildings, or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Contributions of donated non-cash assets (such as materials and equipment) are recorded at their fair or estimated values in the period received.

Le Petit Theatre du Vieux Carre  
Notes To Financial Statements (Continued)  
For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Advertising

The Theatre expenses all non-direct response advertising and costs as incurred. Advertising expense For the Year Ended June 30, 2012 was \$ 3,076.

Income taxes

The Theatre is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and from State income taxes under Section 121 (5) of Title 47 of the Louisiana Revised Statutes of 1950.

Allocation of Functional Expenses

Expenses are summarized on a functional basis. Salaries and related payroll expenses are distributed based upon the time spent for each function. Distribution of all other shared expenses is based upon management's estimates of the usage applicable to conducting various program or support activities.

NOTE 2 – INVESTMENTS

Investments as of June 30, 2012 are summarized as follows:

|                               | <u>Cost</u> | <u>2012<br/>Fair<br/>Value</u> | <u>Carrying<br/>Value</u> |
|-------------------------------|-------------|--------------------------------|---------------------------|
| Endowment Fund<br>Investments | \$ 234,008  | \$ 235,368                     | \$ 235,368                |

Le Petit Theatre du Vieux Carre  
Notes To Financial Statements (Continued)  
For the Year Ended June 30, 2012

The following schedule summarizes the investment return and its classification in the statement of activities For the Year Ended June 30, 2012:

|                            | <u>2012</u><br>Permanently<br><u>Restricted</u> |
|----------------------------|---|
| Interest and dividends     | \$ 2,650  |
| Realized gains (losses)    | 2,520   |
| Unrealized gains (losses)  | <u>1,360</u>                                    |
| Total investment<br>Return | <u>\$ 6,530</u>                                 |

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The company's assets and liabilities recorded at fair value have been categorized based upon fair value hierarchy in accordance with Topic 820. See Note 2 for a description of the company's policies and valuation procedures. The valuation of the company's assets and liabilities measured at fair value on a recurring basis at June 30, 2012 are as follows:

| Greater New Orleans<br>Foundation                    | <u>Level 1</u>   | <u>Level 2</u>  | <u>Level 3</u>  | <u>Fair Value</u> |
|--|------------------|-----------------|-----------------|-------------------|
| Investment in Greater New<br>Orleans Foundation Pool | <u>\$134,380</u> | <u>\$84,295</u> | <u>\$16,693</u> | <u>\$ 235,368</u> |

Le Petit Theatre du Vieux Carre  
Notes To Financial Statements (Continued)  
For the Year Ended June 30, 2012

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2012:

|                               |                     |
|-------------------------------|---------------------|
| Land                          | \$ 7,600            |
| Building and improvements     | 1,535,360           |
| Furniture and fixtures        | 113,471             |
| Equipment                     | 264,687             |
| Improvements in progress      | <u>74,632</u>       |
|                               | 1,995,750           |
| Less accumulated depreciation | ( <u>678,202</u> )  |
|                               | \$ <u>1,317,548</u> |

NOTE 5 – PERMANENTLY RESTRICTED ASSETS

Permanently restricted assets consist of endowment funds. The income of each is dedicated to specific purposes. The Rhea Loeb Deutsch Memorial Fund is administered by the Board of Governors of the Theatre. The Le Petit Theatre Fund and The Harold Newman Fund are administered by the Greater New Orleans Foundation. As of June 30, 2012, these restricted assets were as follows:

|                                 |                   |
|---------------------------------|-------------------|
| Rhea Loeb Deutsch Memorial Fund | \$ 6,026          |
| Harold Newman Endowment Fund    | 184,910           |
| Le Petit Theatre Endowment Fund | <u>44,432</u>     |
|                                 | \$ <u>235,368</u> |

NOTE 6 – RELATED PARTY TRANSACTIONS

The Theatre has conducted business with various entities and persons who are related to board members or employees either as officers of those entities or have familial relationships. The applicable officers or board members are in a position to, and in the future may, influence the volume of activity, price or other factors, which may benefit the persons or entities to which they are related. The transactions are immaterial in amount.

Le Petit Theatre du Vieux Carre  
Notes to Financial Statements (Continued)  
For the Year Ended June 30, 2012

NOTE 7 – CONCENTRATIONS

The Theatre's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Theatre places its cash and temporary cash investments with high quality credit institutions. At times such investments may be in excess of the FDIC insurance limit.

NOTE 8 – BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to a member.

NOTE 9 - SUPPLEMENTAL DISCLOSURE ON CASH FLOW INFORMATION

Cash paid during the year for:

|          |           |
|----------|-----------|
| Interest | \$ 20,559 |
|----------|-----------|

NOTE 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through October 19, 2012 which is the date the financial statements were available to be issued.